

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:205

ANSWERED ON:21.07.2003

REVIVAL OF IISCO

AJAY CHAKRABORTY; BASUDEB ACHARIA; MAHBOOB ZAHEDI

Will the Minister of STEEL be pleased to state:

- (a) whether the Government have taken decision on the rehabilitation proposal submitted by the Industrial Development Bank of India (operating agency) for revival of Indian Iron and Steel Company (IISCO), a subsidiary of Steel Authority of India Limited (SAIL);
- (b) if so, the details thereof;
- (c) whether SAIL is looking for a joint venture partner for revival of IISCO;
- (d) if so, the action taken so far and by when the proposal is likely to be implemented;
- (e) whether the Government have decided to reduce workforce in IISCO and also give VRS to all the employees of Kulti Works of IISCO; and
- (f) so, the number of workers opted VRS and compensation paid to them?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): As directed by Board for Industrial and Financial Reconstruction (BIFR), Steel Authority of India Ltd. (SAIL) has submitted : rehabilitation proposal, based on Government's approval, to the Industrial Development Bank of India (IDBI), the Operating Agency, who in turn have submitted the proposal to BIFR. The scheme is currently awaiting BIFR's decision.

(c)&(d): Yes, Sir. During the ninth session of the Indo-Russian Working Group in Moscow in May, 2003, the matter regarding participation of M/s Tyazhpromexport (TPE) of Russia in a joint venture for IISCO was discussed, and it was agreed that TPE will review and indicate the possibilities of their participation in the proposed joint venture within two months to the Government of Russian Federation who, in turn, will notify the Indian Government.

(e)&(f): Yes, Sir. Out of 2,900 employees at Kulti Works, 2,866 have opted for VRS and around Rs.144 crore has been disbursed till June, 2003 towards separation of 2,543 employees released so far.